BRITISH COLUMBIA

BC STATS

Ministry of Management Services

Infoline

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- **The value of building permits issued by BC municipalities fell 15.5% in October**
- **Housing starts in BC jumped 29.8% in November**
- **BC students scored amongst the best in an OECD study of skills in math, science and reading**

The Economy

- **The value of building permits issued by BC municipalities dropped significantly -15.5%, *seasonally adjusted*) in October.** The fall was mainly the result of a 46.7% plunge in the value of non-residential permits, although residential permits also declined, slipping 3.5%. Nationally, there was a 2.0% increase in the value of building permits. Both Vancouver (-18.0%) and Victoria (-2.5%) experienced a drop in the value of building permits from September to October, although for Vancouver, over the first ten months of 2004, the value of permits are 34.4% higher than in the same period a year earlier. For BC as a whole, the story is similar, with building permits up 25.8% year-to-date.

Data Source: Statistics Canada

Housing and Real Estate

- **The number of housing starts in BC soared (+29.8%, *seasonally adjusted annual rates*) to 35,300 in November after falling sharply a month earlier.** Nationally, the number of starts experienced a more modest rise of 5.9%. Starts increased in most parts of the country, except Ontario (-2.8%) and Atlantic Canada (-7.8%). Saskatchewan (+14.3%) and Quebec (+10.5%) were the only provinces other than BC to experience double-digit increases.

Data Source: CMHC

- **The price of new homes in BC increased marginally in October, rising 0.1% from September.** Victoria was the only metropolitan area in the country to experience a month-over-month price decline in October (-0.3%), the first drop in housing prices in the region in almost two years. However, Victoria new house prices are still 7.3% higher than in October 2003. Vancouver has seen the price of new homes in the region jump 5.0% in the last year, slightly less than the 5.2% increase for BC as a whole, which is marginally lower than the 5.6% boost in prices nationally. Across the country, Winnipeg had the highest year-over-year jump in new home prices (+8.5%), followed by St. Catherines-Niagara (+7.9%). *Data Source: CMHC*

- **The value of real estate transactions in Vancouver jumped 27.5% in the first half of 2004 compared to the same period a year earlier, reaching $1.3 billion.** With the exception of sales of office space, which fell 35.3%, all other types of transactions increased in value. The number of transactions also increased, rising from 551 in the first half of 2003 to 649 in the same period in 2004. In Victoria, despite a rise in the number of transactions from 13 to 25, the value fell 53.4% to $52.4 million.

  Compared to other large municipalities across Canada, the price per square foot of space is higher in Vancouver than anywhere else in the country, with the exception of office space, where it is more expensive in Calgary. There is a significant premium on retail space in particular. Also, at $100,857, the price per multi-family unit is the highest in the country, with only Ottawa ($100,000) coming close.

Data Source: Colliers International

Education

- **In an OECD study testing student skills, the performance of British Columbia students in combined mathematics was comparable to that of students in the top-ranking countries.** BC students were also among the best in Canada, with only those from Alberta scoring significantly better. Boys tended to score better than girls with respect to mathematics; however, girls performed much better than boys for

Report Canadian Travellers Vacation Interest in BC

Did you know...
In 2003, Canada exported 2.6 million Christmas trees (only 5,400 from BC) and over half the trees were destined for one of three US states: New York, Massachusetts or New Jersey

reading skills. These differences were similar to those seen in other countries in the study.

Oddly enough, although BC students performed well in mathematics, they were below the Canadian average in terms of their perception of their ability to learn math, as well as their belief in the usefulness of mathematics.

As with math skills, BC students were also among the top performers in reading, science and problem solving. Once again Alberta students were tops in Canada.

Data Source: HRDC and SC, Catalogue no. 81-590-XIE – No. 2

Environmental Protection Expenditures

- **Capital and operating expenditures on environmental protection by industries in BC amounted to $542.6 million dollars in 2002.** This was good enough to rank BC fourth in the country behind Ontario ($2.3 billion), Alberta ($1.7 billion) and Quebec ($1.2 billion). BC's $149.8 million in capital expenditures and $392.8 million in operating expenditures comprised 8.0% of total Canadian capital and operating expenditures on environmental protection. *Data Source: SC, Catalogue 16F0006XIE*

Victim Services

- **In BC, 108 agencies reported providing victim services to 54,803 people between April 1, 2002 and March 31, 2003.** The types of services provided included general information, emotional support, court information, court accompaniment, and immediate safety planning. Based on a one-day snapshot taken on October 22, 2003, about three-quarters of the clients were women. The large majority (73%) of clients on the snapshot day were victims of crimes against the person, of which 32% were comprised of sexual assault. *Data Source: SC, Catalogue 85-003*

Holiday Shopping Patterns

- **The cliché about last minute Christmas shopping may be true for smaller items, but Canadians generally purchase big-ticket items well in advance of the holiday, often in November.** Stores selling furniture, home furnishings, electronics and home appliances experienced a 12.4% increase in sales in November 2003, compared to average monthly transactions. On the other hand, the big month for stores selling less expensive items was December, with a 65.3% boost over average sales levels. It appears that the traditional plunge in sales in January may no longer be as severe as it once was. It is thought that the prevalence of gift cards may have contributed to the change.

  The types of stores experiencing the largest growth in sales revenues during the holiday season are department stores, with electronics and appliance stores close behind. On the other hand, motor vehicle and parts dealers, gasoline stations and building and outdoor home supplies stores actually see their sales drop in November and December compared to their monthly average.

  Data Source: SC, Catalogue 11-621-MIE2004019

The Nation

- **Industries increased their rate of capacity utilization for the fifth consecutive quarter between July and September, thanks mainly to the strength of the manufacturing sector.** Industries operated at 85.7% of production capacity during the third quarter, up from 84.7% in the second quarter. The gain placed the third-quarter rate 1.5 points below the peak of 87.2% reached during the first quarter of 1988. Exports declined in the wake of low international demand. Increased domestic demand was partly offset by growth in imports, which benefited from the strength of the Canadian dollar.

  Data Source: Statistics Canada

- **With the slowdown in economic activity and the continued rise in hours worked, Canadian business sector productivity edged down 0.3% between July and September.** The lack of productivity gains, combined with the strength of the Canadian dollar, pushed up the unit labour cost in American dollars in the third quarter. This has adversely affected the competitiveness of Canadian businesses compared with their American counterparts.

  Data Source: Statistics Canada

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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Contact: Lillian Hallin (250) 387-0366
Originally published in *Tourism Sector Monitor*, Issue 04-10. Annual Subscription $60 +GST

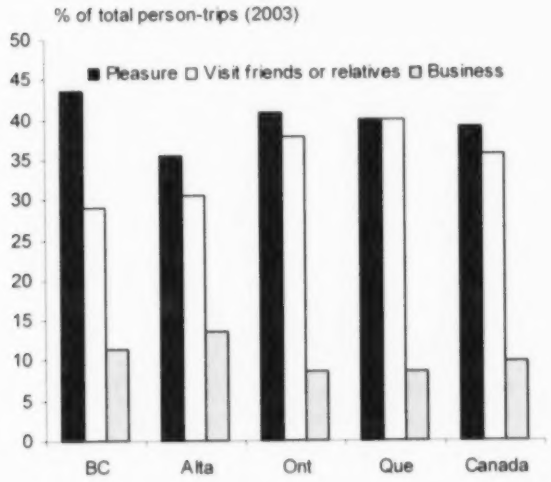
Canadian Travellers Vacation Interest in B.C.

British Columbia is Canada's prime four-season tourist destination for business and vacation travellers alike. Shouldering the Pacific Ocean to the west and the Rockies to the east, the province is blessed with a relatively moderate climate, spectacular scenery, unique opportunities for wildlife viewing and other nature-based activities that, together with cultural amenities in its urban centres, attract travellers from Canada, the US and beyond. This article examines the characteristics of Canadians who visit BC and selected other provinces, using information from Statistics Canada's Canadian Travel Survey.

Pleasure trips are the main reason for travelling to BC

Pleasure trips and trips made to visit friends or relatives represented 72% of all domestic travel by Canadians to BC in 2003. Travelling for pleasure was the most common reason given by those who visited BC, with 7.3 million trips, or 43% of all domestic travel to the province made for that purpose.

Travelling for pleasure more common in BC than in other provinces



Nationally, 39% of trips within Canada were pleasure trips. Visitors to Ontario (41%), Quebec (40%) and Alberta (35%) were less likely to be travelling for pleasure than those who came to BC.

Visiting friends and relatives was also a common reason for coming to the province. This was reported as the purpose of 4.8 million person-trips, or 28% of travel to BC in 2003. Canadians travelling to Quebec were as likely to be coming to visit friends and relatives (40%) as to be travelling for pleasure. In Ontario, 38% of trips were primarily to visit friends and relatives; the ratio in Alberta was just 30%, well below the national average of 36%.

A relatively small percentage of travellers to BC (11%) were on business trips. Alberta had the highest proportion of business travel of any province in 2003, at 13%. The national average was 10%.

There has been little change in the type of travellers coming to BC from other parts of Canada during the last eight years. The trend for pleasure trips has been generally steady, accounting for 43% to 46% of all person-trips to the province. However, business travel has declined slightly. Business trips averaged around 14% of all trips during the late 1990s, but have declined since then.

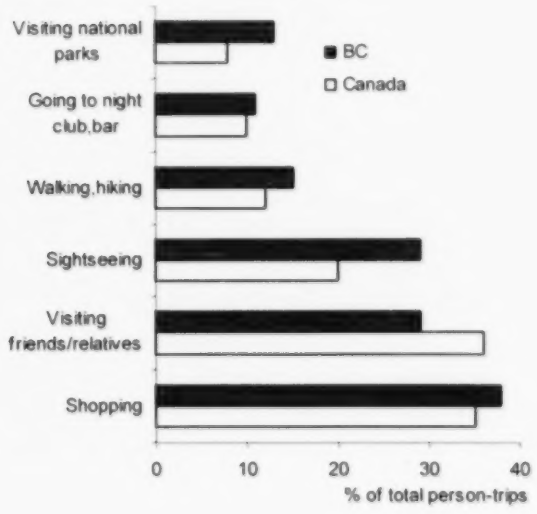
Within Canada, over the last eight years, there has generally been an upward trend in trips for pleasure, with the percentage of travellers on pleasure trips increasing from 37% to 40% of total trips during this period. As was the case in BC, business travel accounts for a declining share of total trips, with most of the decline occurring during the period since 2001. This could reflect a downturn in the business cycle, as well as a decrease in business travel during the post-9/11 period.

The Canadian domestic tourism industry suffered a difficult year in 2003, although domestic travel was less affected than international travel to Canada. A variety of external factors dampened tourism activities in 2003. Although the SARS outbreak primarily affected international travel to Canada, the forest fire situation during the summer may have led some Canadians to change their plans to travel to BC while the blazes were at their worst, although the extent to which this occurred is unknown. At the same time, a stronger Canadian dollar vis-à-vis the US greenback might have encouraged Canadians to travel south of the border.

Shopping and visiting friends or relatives most popular travel activities

Top BC activities preferred by visitors in 2003 were shopping, sightseeing and visiting friends or relatives. Walking and hiking, followed by visiting provincial and national parks, are more sought-after travel activities in BC than in the rest of Canada. Based on the available data for 2003, the least common travel priorities were wildlife viewing and visiting theme parks.

Visitors pack their credit cards first when travelling to BC



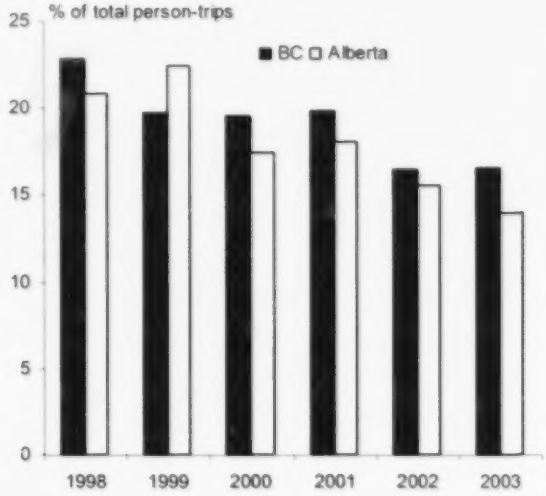
In contrast to BC, in 2003, the majority of visitors within Canada preferred visiting friends and relatives, while shopping and sightseeing ranked second. Hiking, as a holiday activity, does not receive as much attention in the rest of Canada as in BC. Going to nightclubs and bars was the fifth favourite past-time within Canada.

In 2003 snowmobiling and cross-country skiing were not as popular winter past times in other parts of Canada, but downhill skiing did receive more interest from Canadians.

BC's national and provincial parks have high recreational and tourism value

BC is a more popular destination for travellers interested in visiting national and provincial parks than our next-door neighbour Alberta.

BC popular destination for visiting national and provincial parks



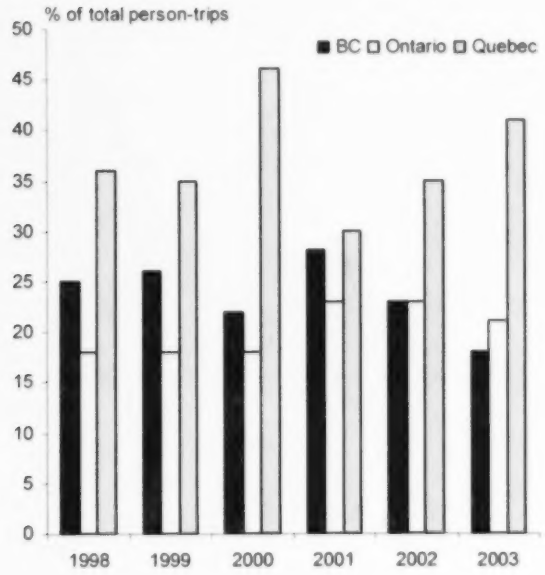
In 2003, 2.2 million trips, or close to 17% of visitors to BC took a trip to a national or provincial park, while in Alberta only 1.8 million, or 14% preferred that activity to others. Overall BC has been more successful in the last few years at attracting outdoor enthusiasts. Although Banff National Park, Canada's first national park (founded in 1885), is situated in Alberta, BC's national parks are busier.

In 2003, several shocks to the tourism industry, such as the SARS outbreak, forest fires and floods in the province appear to have disturbed visitors' travel arrangements. There was a substantial drop (-17.3%) in the number of outdoor enthusiasts visiting national and provincial parks in the province. Other provinces, such as Alberta (-26.3%) and Ontario (-20.7%), experienced even steeper declines than BC in 2003.

The domestic skiing industry in BC is losing ground to Quebec

In 2003, ski resorts in BC did not fare nearly as well as in other provinces. Alpine skiers, made an estimated 608 thousand trips, or 4% of all domestic travel made to the province, for that purpose.

The number of Canadian skiers at BC resorts has decreased



This was down 29.2% from the previous year when there were 859 thousand visitors, as lower snow levels and a relatively weaker economy affected the number of visitors to BC ski resorts.

Slopes in Alberta were also less busy (-7.5%) than they were in 2002 mostly due to lack of snow. In 2003, alpine skiers showed a preference for Quebec's ski facilities as the province posted significant gains (+4.6%) from 2002.

Since 2001, when BC was Quebec's strongest competitor, the trend for the province has been downwards, while for Quebec the opposite is true.

Overall, in BC and in Canada as a whole, the domestic travel sector has been losing momentum since 2000. Several factors have contributed to this decline, such as the economic slowdown and the corresponding drop in consumer confidence in 2001, higher gas prices experienced since that time, the SARS outbreak, ongoing airline woes and a much higher value of the Canadian dollar, which may have possibly tempted Canadians to spend their disposable income abroad.

It is difficult to say whether or not 2004 will be a better year in terms of domestic travel, because, although many of the shocks to the tourism sector are behind us, the appreciation of the dollar and the high price of gasoline may still discourage Canadians from travelling within their own country.

Infoline

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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/04	% change on one year ago
BC	4,196.4	1.1
Canada	31,946.3	0.9
GDP and INCOME		
(BC - at market prices)	2003	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	145,550	5.2
GDP *($ 1997 millions)*	133,600	2.5
GDP *($ 1997 per Capita)*	32,175	1.6
Personal Disposable Income *($ 1997 per Capita)*	19,758	0.3
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Sep	3,669	0.9
Merchandise Exports - Sep	2,791	-1.4
Retail Sales - Sep	4,001	1.4
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Oct '04	% change
BC	123.5	1.9
Canada	125.2	1.7
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Nov '04	prev. month
Labour Force - BC	2,237	-0.5
Employed - BC	2,093	0.1
Unemployed - BC	144	-7.6
		Oct '04
Unemployment Rate - BC *(percent)*	6.4	6.9
Unemployment Rate - Canada *(percent)*	7.3	7.1
INTEREST RATES (percent)	Dec 8/04	Dec 10/03
Prime Business Rate	4.25	4.50
Conventional Mortgages - 1 year	4.90	4.75
- 5 year	6.15	6.50
US/CANADA EXCHANGE RATE	Dec 8/04	Dec 10/03
(avg. noon spot rate) Cdn $	1.2251	1.3079
US $ *(reciprocal of the closing rate)*	0.8163	0.7646
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Nov '04	one year ago
BC	701.27	2.7
Canada	687.28	2.9

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

New on our site!

Aboriginal Profiles

Statistical Profiles by College Region With Emphasis on Labour Market and Post-Secondary Education Issues

These profiles provide comparisons of the socio-economic conditions of the on-reserve and off-reserve aboriginal populations as well as the non-aboriginal population by College Region. Data are from the 1996 and 2001 Census, Statistics Canada.

http://www.bcstats.gov.bc.ca/...

data/cen01/abor/ap_main.htm

Released this week by BC STATS

- Tourism Sector Monitor, November 2004
- Labour Force Statistics, November 2004
- Earnings & Employment Trends, November 2004

Next week

- Consumer Price Index, November 2004
- Exports, October 2004

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